THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) (a) and (b) The partial convertibility of rupee was introduced to encourage exports and faciliate essential imports so that we have a viable balance of trade. With the aim of making the rupee fully convertible on the trade account, the Eximscrip system was replaced by the partial convertibility of the rupee which allowed exporters to derive benefit by way of a market premium on 60% of their foreign exchange earnings.

(c) Continuation or acceleration of inflation will create imbalances in the overall economy and thus may affect exports by making the products uncompetitive in the international market.

(d) Fiscal policies are undertaken with a view to contain the budgetary deficit and inflation. Hence, they are helpful to promote exports. More specifically in the Budget for 1992-93 the Government have provided greater encouragment to exports by reducing substantially import duties on raw materials and capital goods and by lowering the maximum rate of tariffs.

Banning export of beef

672. SHRI M. VINCENT : Will the Minister of COMMERCE be pleased to state :

(a) whether there are 100 percent Export Oriented Beef processing and exporting units in existence on licensed or letter of intent issued to such beef exporting units ;

(b) if so, what are the details thereof ;

(c) what will be their future after the banking of the beef export ; if such units are functioning ; and

(d) what will be the extent of loss in revenue due to exemption customs duty and the debonding of such machinery, if already the unit have imported machinery under the norm of 100 per cent E.O.U. ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) No, Sir

(b) to (d) Does not arise.

Uncertainty of Indian Exports

673. SHRI P. UPENDRA : Will the Minister of COMMERCE be pleased to state :

(a) whether it is a fact that 1/5th of Indian exports are now subject to considerable uncertainty as exporters who had developed their business keeping the erstwhile Soviet Union and the Eastern Europe in view find it extremely difficult to survive ; and

(b) what action Government are taking to remedy the situation and find alternative channels of export ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM). (a) The political and economic uncertainties which the erstwhile Soviet Union underwent and the political and economic changes witnessed in some other East European countries with whom India exports causing some amount of uncertainty to Indian exporters to these countries.

(b) New trade agreements/protocols have been concluded with Kazakhastan, Uzbekistan, Ukraine, Kyrghystan, the Russian Federation and Turkmenistan. Discussions on Trade Relations have also been held with the leaderships of some of the other Members of the Commonwealth of Independent States. Elements of our future export strategy for the Commonwealth of Independent States and other countries in East Europe include (a) greater marketing thrust in the changed economic environment including more effective participation in trade fairs exhibitions, buyer-seller meets, etc (b) diversification of structure of trade to exploit new possibilities ; (c) promotion of direct contacts at the commercial enterprises level ; (d) greater emphasis on new forms of cooperation, such as joint ventures ; (e) greater attention to consumer preferences, quality control and prices ; and (f) establishing direct contacts with the Republics of the Commonwealth of Independent States on continuing basis.